

SECOND REGULAR SESSION

[P E R F E C T E D]

# SENATE BILL NO. 805

94TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR MAYER.

Pre-filed December 1, 2007, and ordered printed.

Read 2nd time January 10, 2008, and referred to the Committee on Ways and Means.

Reported from the Committee March 6, 2008, with recommendation that the bill do pass and be placed on the Consent Calendar.

Taken up March 31, 2008. Read 3rd time and placed upon its final passage; bill passed.

TERRY L. SPIELER, Secretary.

3626S.01P

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## AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to the assessment and levy of property taxes.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows:

137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the following terms mean:

(1) "Residential property", all real property improved by a structure which is used or intended to be used for residential living by human occupants, vacant land in connection with an airport, land used as a golf course, and manufactured home parks, but residential property shall not include other similar facilities used primarily for transient housing. For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to section 144.020.1(6), RSMo;

(2) "Agricultural and horticultural property", all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding, **showing**, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under

19 an agreement with an agency of the federal government. Agricultural and  
20 horticultural property shall further include land and improvements, exclusive of  
21 structures, on privately owned airports that qualify as reliever airports under the  
22 Nation Plan of Integrated Airports System, to receive federal airport improvement  
23 project funds through the Federal Aviation Administration. Real property  
24 classified as forest croplands shall not be agricultural or horticultural property  
25 so long as it is classified as forest croplands and shall be taxed in accordance with  
26 the laws enacted to implement section 7 of article X of the Missouri Constitution;

27 (3) "Utility, industrial, commercial, railroad and other real property", all  
28 real property used directly or indirectly, for any commercial, mining, industrial,  
29 manufacturing, trade, professional, business, or similar purpose, including all  
30 property centrally assessed by the state tax commission but shall not include  
31 floating docks, portions of which are separately owned and the remainder of  
32 which is designated for common ownership and in which no one person or  
33 business entity owns more than five individual units. All other real property not  
34 included in the property listed in subclasses (1) and (2) of section 4(b) of article  
35 X of the Missouri Constitution, as such property is defined in this section, shall  
36 be deemed to be included in the term "utility, industrial, commercial, railroad and  
37 other real property".

38 2. Pursuant to article X of the state constitution, any taxing district may  
39 adjust its operating levy to recoup any loss of property tax revenue, except  
40 revenues from the surtax imposed pursuant to article X, section 6.2 of the  
41 constitution, as the result of changing the classification of structures intended to  
42 be used for residential living by human occupants which contain five or more  
43 dwelling units if such adjustment of the levy does not exceed the highest tax rate  
44 in effect subsequent to the 1980 tax year. For purposes of this section, loss in  
45 revenue shall include the difference between the revenue that would have been  
46 collected on such property under its classification prior to enactment of this  
47 section and the amount to be collected under its classification under this  
48 section. The county assessor of each county or city not within a county shall  
49 provide information to each taxing district within its boundaries regarding the  
50 difference in assessed valuation of such property as the result of such change in  
51 classification.

52 3. All reclassification of property as the result of changing the  
53 classification of structures intended to be used for residential living by human  
54 occupants which contain five or more dwelling units shall apply to assessments

55 made after December 31, 1994.

56           4. Where real property is used or held for use for more than one purpose  
57 and such uses result in different classifications, the county assessor shall allocate  
58 to each classification the percentage of the true value in money of the property  
59 devoted to each use; except that, where agricultural and horticultural property,  
60 as defined in this section, also contains a dwelling unit or units, the farm  
61 dwelling, appurtenant residential-related structures and up to five acres  
62 immediately surrounding such farm dwelling shall be residential property, as  
63 defined in this section.

64           5. All real property which is vacant, unused, or held for future use; which  
65 is used for a private club, a not-for-profit or other nonexempt lodge, club,  
66 business, trade, service organization, or similar entity; or for which a  
67 determination as to its classification cannot be made under the definitions set out  
68 in subsection 1 of this section, shall be classified according to its immediate most  
69 suitable economic use, which use shall be determined after consideration of:

- 70           (1) Immediate prior use, if any, of such property;  
71           (2) Location of such property;  
72           (3) Zoning classification of such property; except that, such zoning  
73 classification shall not be considered conclusive if, upon consideration of all  
74 factors, it is determined that such zoning classification does not reflect the  
75 immediate most suitable economic use of the property;  
76           (4) Other legal restrictions on the use of such property;  
77           (5) Availability of water, electricity, gas, sewers, street lighting, and other  
78 public services for such property;  
79           (6) Size of such property;  
80           (7) Access of such property to public thoroughfares; and  
81           (8) Any other factors relevant to a determination of the immediate most  
82 suitable economic use of such property.

83           6. All lands classified as forest croplands shall not, for taxation purposes,  
84 be classified as subclass (1), subclass (2), or subclass (3) real property, as such  
85 classes are prescribed in section 4(b) of article X of the Missouri Constitution and  
86 defined in this section, but shall be taxed in accordance with the laws enacted to  
87 implement section 7 of article X of the Missouri Constitution.